



## **Burson-Marsteller: Its History, Its Culture**

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For several months, from the time I was asked to make this talk, I have tried to come up with an anecdote that synthesized what Burson-Marsteller is all about.

What makes us different?

What makes us unique?

What makes us extra special?

What I came up with has to do with the Presidential decision that resulted in the atomic bomb. It's a true story that occurred in 1939, just before the Nazi army invaded Poland. Franklin Delano Roosevelt was President. He had sat through several presentations from scientists and the military seeking a grant of under a half million dollars to start exploring the feasibility of making an atomic bomb.

Roosevelt was unmoved by the argumentation. He didn't understand the science. He feared the political fallout should the program fail after spending literally hundreds of millions of dollars.

The senior scientific community in the United States was unanimous in believing this project was vital to the very survival of this country and the free world. They were afraid the Nazi regime in Germany would find the answer first — the secret to harnessing the energy of the atom.

It was decided that Albert Einstein, then widely considered the smartest person in the world, should address a letter to President Roosevelt strongly recommending that the President go ahead with the project. Einstein was to have delivered the letter personally, but he deferred. He was embarrassed that he spoke English so poorly.

Instead, a Wall Street investment banker, Alexander Sachs, a Roosevelt friend with ties to the scientific community, was asked to present Einstein's letter to the President and plead for the necessary financing.

Sachs met with Roosevelt late afternoon, delivered the letter, emphasized that the most eminent scientists of the day — including a half dozen or more Nobel laureates — endorsed the project. He employed every argument at his command to persuade the reluctant President that Western civilization was at stake. But President Roosevelt didn't budge.

In desperation, Sachs finally said, "Mr. President, I hold myself personally accountable for failing to persuade you on a matter that's critical to the very survival of our country. I beseech you to give me one more opportunity to marshal the arguments that will convince you how very important it is to go forward immediately with the atom bomb initiative." Roosevelt agreed to meet Sachs over breakfast the next morning.

Sachs spent most of the night sitting on a bench in Lafayette Park, the White House fully visible straight ahead to the south. He concentrated on what would move the President in a positive direction. At three o'clock in the morning, he was satisfied he had the argument the President would understand and would not challenge. He walked to his hotel for a few hours sleep before joining President Roosevelt for breakfast.

Knowing his time allotment was short, as was the President's attention span on an issue he had repeatedly declined, Sachs said "Mr. President, are you aware of the offer Robert Fulton made to Napoleon?" Roosevelt, who fancied himself a student of American history, was taken aback and confessed he had never heard of a meeting between Fulton and Napoleon.

Sachs responded along these lines:

"Yes, Mr. President, in the early nineteenth century, Fulton, having failed to get financing for his steamboat in the United States and England, decided the person who needed the steamboat most was Napoleon — that is, if Napoleon was serious about a successful invasion of England.

"Fulton met with Napoleon in Paris. But Napoleon didn't grasp the concept of a steamboat in relation to his objective. He didn't understand the science. He quickly dismissed Robert Fulton as a visionary fool."

Roosevelt's response to Sachs was quick and decisive. Roosevelt, at last, got the point. He approved funding for the study that resulted in the Manhattan Project.

The atom bomb worked. It was successful in bringing the war to an end and saving tens of thousands of American and Japanese lives.

What does this rather lengthy, seemingly off-the-point story have to do with Burson-Marsteller?

To me it's highly analogous. Alexander Sachs was result-oriented. He wouldn't stop until he had achieved his objective. He recognized that achieving his objective would require an "outside the envelope" solution. Both of those characteristics have relevancy to us and to our Burson-Marsteller culture. We are result-oriented and we go "outside the envelope" to seek solutions to client problems.

What do I mean by culture?

Of the several Webster definitions of "culture," this is the one that is most pertinent to this meeting:

5. a) the integrated pattern of human knowledge, belief, and behavior that depends upon man's capacity for learning and transmitting information to succeeding generations; b) the customary beliefs, social forms, and material traits of a racial, religious, or social group.

Jack O'Dwyer's directory lists about 1,700 public relations firms in the United States. The New York City Yellow Pages lists over 600 firms under the headings "Publicity" and "Public Relations." We at Burson-Marsteller exist in a large universe of entities that use the same or comparable nomenclature to define their business.

But the fact is, Burson-Marsteller is different.

Ask the 2000, plus or minus, men and women now employed around the world by Burson-Marsteller.

Ask the 10,000 (or more) people whose résumés boast Burson-Marsteller among their former employers.

Ask our more sophisticated clients, those who have engaged other public relations firms and who have observed firsthand how we and others perform.

Or experience what many of our clients experience when they visit Burson-Marsteller offices around the world. They usually marvel at the similarities — in people, in their willingness to go the extra step to provide for their needs, to solve their problems.

Our difference is our culture. At Burson-Marsteller, our culture is palpable. It has an identity. It has been codified and institutionalized. Other firms have cultures, too, some more than one. But with rare exception, they lack clarity. They lack definition. They lack specific identity. They are unrecognizable. The fact is, all institutions have a culture even when no specific culture is discernible.

We are different. Burson-Marsteller is Burson-Marsteller in every part of the world. The same company in San Francisco as in Singapore or São Paulo. The same company in Madrid as in Miami or Milan.

It is important that we whose lives are committed to Burson-Marsteller know this. It is important that our clients know this. It is important also that the community of "influentials," many of whom are tomorrow's clients, know this.

Our culture is set forth in our published Vision and Values statement.

"We seek to build the most exciting counseling and communications business in the world, adding new dimensions to the meaning of public relations and public affairs."

"We exist solely to serve our clients."

"Ours is a global business. It demands that we work to a single standard of excellence worldwide. We will build the systems and harness the technology that will give all our people, anywhere in the world, equal access to our knowledge, experience and skills."

"Quality, innovation and value...Sensitivity to our clients and to each other...High energy, high reward...Impatience with the status quo...A willingness to take risks...Compulsive curiosity...These are our guideposts."

And Our Values:

**“Achievement:** [Our people] seek to define the real problem, develop the real solution, no matter what the obstacles or the personal sacrifices required.”

**“Teamwork:** B-M people realize that individual success depends on cooperation and support. We prize the individual, but celebrate the team.”

**“Commitment:** Clients and colleagues alike can count on us.”

**“Curiosity:** At Burson-Marsteller, ideas have no rank, no country of origin. While the Company endeavors to train and grow its people, we firmly believe the ultimate responsibility for personal growth is up to the individual.”

**“Sharing:** B-M people are quick to share information, knowledge and experience. All of us, at any given moment, are students, teachers or mentors.”

**“Risk:** We reject the notion that if it hasn’t been done, it won’t work. If we think it’s right, we want to do it.”

Our Vision and Our Values statement was a conscious effort to pass our culture from one generation of B-M people to the next.

When first committed to paper in 1984, a task to which Jim Dowling and Geoff Nightingale made a monumental contribution, it represented the distillation of some 35 years of working, yes living, together as public relations professionals who shared common interests, common values, common goals.

Paramount among those values were — and continue to be — integrity, professionalism, the deep-seated desire to do what’s right for the client, to do it at a fair cost.

Burson-Marsteller wasn’t always at the top of the heap. We opened our doors for business in March 1953, with offices in New York and Chicago.

Our income revenues for the ten-month year barely topped \$84,000.

Our specialty was public relations for business-to-business clients.

In our tenth year, 1962, we posted our first million-dollar year (about \$3.5 million in today’s dollars). By that time, we had already established our first European office in Geneva. And we were well into a planning process that would expand our horizons both functionally and geographically.

We reached \$5 million in 1970. We had added offices in Washington and Los Angeles and had expanded overseas to Brussels and London. Of special significance is that we had acquired a public relations firm that gave us bona fides in consumer products.

When Jack O’Dwyer first published income ratings in 1971, we reported \$6,006,000. We ranked third behind Ruder & Finn at \$6.3 million and Hill and Knowlton at \$8.5 million. The following year, 1972, we jumped to No. 2 with \$6.54 million against H&K’s \$8.83 million.

Jack O'Dwyer will tell you I was the first head of a public relations firm to make public our numbers. I did it because most people in our field, including clients and prospects, thought we were much smaller. By making public our numbers, we institutionalized our position as an industry leader. That, I believe, was one of the underlying factors that energized our meteoric rise in the '70s and '80s.

In 1979, the year we joined forces with Young & Rubicam, our income was \$25,653,000. By then, we had 758 employees in 16 offices, most notably four offices in Asia and one in Brazil. We were in Frankfurt, Paris and Madrid. We had grown 23.2 percent over the previous year.

In 1983, having established ourselves in Australia, we made it to the top with revenues of \$63.8 million — three million more than the long-time leader, Hill and Knowlton. We took over Avery Fisher Hall at Lincoln Center to celebrate.

Though no longer Number 2, the Avis of the public relations counseling business, my fervent hope is that we continue to try harder. Trying harder is, has been and will continue to be our magic potion.

Today in 1995, we are projecting total revenues of just over \$235 million. We have 63 offices in 32 countries on six continents, including our newest office in Cairo.

Has income growth been our primary objective?

The quick answer: "No, not the primary objective; rather a result that will follow, as night follows day, when we do superior work for our clients."

Growth is a natural concomitant of good service. The same is true of profits. Naively, perhaps, I grew up thinking that people or companies that produce results get rewarded. Though the environment in which we do business has changed in recent years, I still believe clients and prospective clients are looking for value, performance, dependability.

If you deliver on those promises, you grow and you make money.

Growth in any business, in any profession, in any enterprise is a measure of success, internally and externally.

Growth represents dynamism. It creates an exciting work environment. Managed properly, it produces higher profits.

Most of all, growth represents opportunity. Opportunity for talented, intelligent, dedicated people who strive to advance their careers. People, like you, who seek greater responsibility, people who are looking for the next highest mountain to climb. People who feel they have the drive and the commitment and the "smarts" to merit the rewards that success bestows.

Without its extraordinary growth, I am convinced Burson-Marsteller would not be the exciting company it has been for the past 42 years. Without growth, I am convinced that a résumé disclosing Burson-Marsteller experience would not have the cachet it has today. Without our solid, steady growth of the past four decades, I believe we would not have weathered, as well as we have, the recent slowdown in the public relations consulting business.

Growth is good only when earned. To me, an increased budget or a new assignment from an existing client has always been a sweeter victory than winning a totally new client. When an existing client expands our charter, I feel we have passed a test based on real merit.

While growth has perhaps characterized Burson-Marsteller to most of our external audiences, there are three basic values which I believe have driven that growth.

I alluded to the first of them earlier when I said “we try harder.” An organization that approaches its task in that mode is always better than the competition. My vision of Burson-Marsteller has always been “we do it better than the competition because we try harder.”

The second value that has had special meaning for me, and is one of our greatest attributes, is that we are a sharing company. Our Vision and Values statement says it all: “We prize the individual, but we celebrate the team.” Our challenge is to maintain this spirit of sharing — of doing what’s best for the client regardless of who or which office or which practice gets the credit. As we grow, this special characteristic that has worked so well for Burson-Marsteller has undergone some erosion. All living beings, whatever the species, tend to be territorial. That’s human nature. We at Burson-Marsteller must overcome that if we are to fulfill our mission to serve clients in the many subsets of our discipline and in multiple geographies around the world. Our goal must be to become a “turfless” as well as a seamless organization. The fact is, we will be truly seamless only if we are truly turfless.

Let me close by commenting briefly on the third of our values basic to the Burson-Marsteller culture. It is our inherent respect for the individual. Our vision from the beginning has been to respect every person in our organization for the skills and talents and commitment he or she brings to us. We are a company of many nationalities. Neither gender, nor race, nor religious nor sexual preference plays a part in a person’s opportunity to have a successful career at Burson-Marsteller.

And while our roots and a substantial part of our ownership is American, we do not look on ourselves as an American company. Rather, we are a global company incorporated more than four decades ago in the United States. In France, we perceive ourselves as a French company with a strong global orientation and capability. In Hong Kong, we are a Hong Kong company with a strong global orientation and capability.

On a personal level, we encourage full freedom in personal expression. One of my associates has said “ideas recognize no rank.” Some of our best have come from our most junior people. We want them to be heard. That’s easy to say, harder to do. But we’ve done it at Burson-Marsteller. We’ve made it possible for people of ideas, no matter in what position, to participate. And that, I believe, is one of our underlying strengths.

The first four decades of Burson-Marsteller have been glory years. I hope our next forty — when many of you will be in senior management positions — will be equally replete with excitement, curiosity, sharing and achievement.

God bless you all. God bless Burson-Marsteller.